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Report Highlights:

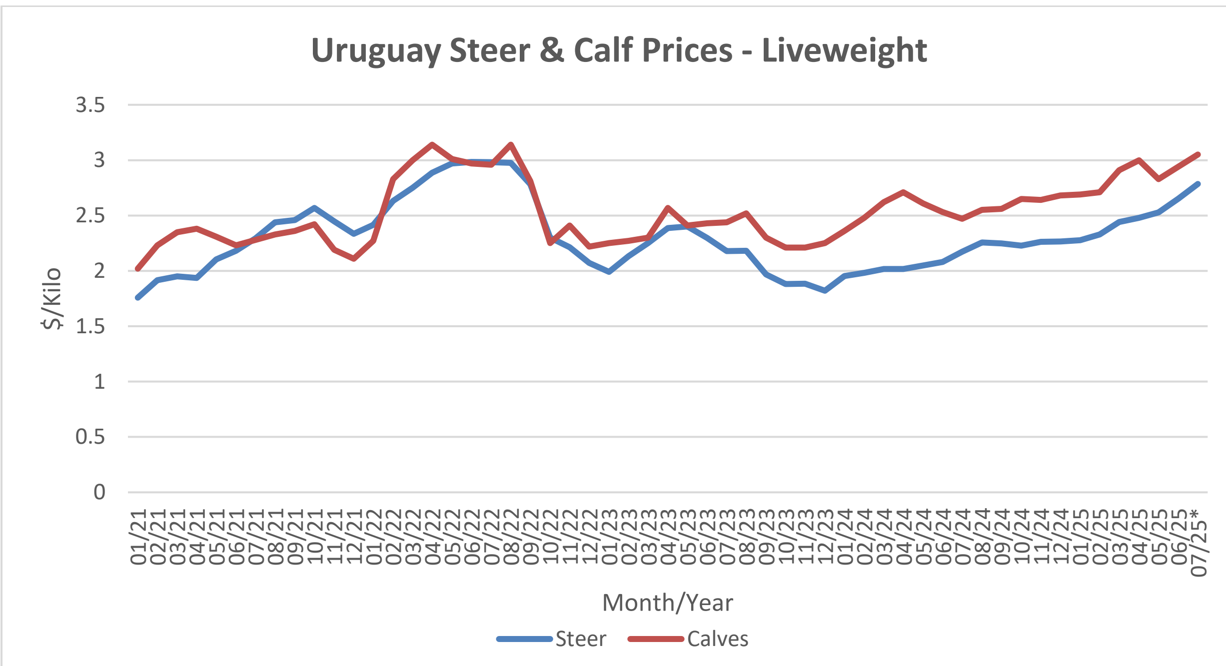
Uruguayan beef exports in 2026 are forecast at 520,000 tons carcass weight equivalent (CWE), the second-highest level on record. Rising output, including a growing share of grain-fed beef, underpins the increase as imports and domestic consumption remain steady. The United States is set to overtake China as Uruguay's top market, fueled by firm demand and strong FOB prices, while China's dominance continues to erode after more than a decade at the top. The industry is also keeping a close watch on potential ripple effects from the U.S.-Brazil trade dispute.

Production

Uruguay's beef production in 2026 is projected slightly up at 635,000 tons carcass weight equivalent (CWE) as a result of a marginally larger slaughter and heavier average carcass weights. This estimate, if realized, would be the third highest volume of beef on record.

Producers are benefiting from the current strong freight on board (FOB) beef prices which have resulted in very high cattle prices. Cattle prices are close to the record-high of mid-2022 when China's demand was very robust. Despite continued high production costs in dollar terms, good returns in cattle operations encourage cattlemen to invest with the focus of gaining further efficiency. The combination of two years in a row with good weather and low corn prices has also helped to boost production in breeding and finishing operations.

Chart #1



Sources: INAC (steers) and A. Consignatarios de Ganado (calf)
* Post's estimate

Uruguay's cattle slaughter in 2026 is forecast at 2.42 million head, 1.7 percent higher than the previous year and the third highest on record. This larger number of cattle to be slaughtered is thanks to a large calf crop (calves born during a given year) in 2024 and the profitable business of finishing cattle on grain which shortens the production cycle resulting in higher beef production in the year. In addition, smaller live cattle exports could also help to explain a marginally larger domestic slaughter.

The trend toward finishing cattle on grain is expected to expand further in 2026, as most industry contacts anticipate continued strength in global beef prices, keeping grain-fed beef production profitable despite higher feed costs. Feedlot operations and broader cattle intensification are seen as key strategies for maintaining competitiveness in a high-cost environment by slaughtering animals at a younger age with heavier weights. Domestic slaughter plants are expected to sustain strong demand for cattle, exerting upward pressure on prices as processors seek to maximize operations and reduce unit costs. In addition, lower corn prices and a record 2024/25 corn harvest have ensured abundant feed supplies at competitive prices. Industry sources estimate the current cost of gain at $2.00–2.15 per kilogram live weight, while finished steers sell at $2.70–3.00 per kilogram, providing producers with robust margins.

Table 1 below shows the growing importance of grain-finished cattle in Uruguay's beef production, which went from 9 percent in 2015 to 16 percent of the total slaughter last year. This table shows only the slaughter of cattle coming from officially registered feed lots but most in the industry believe cattle being fed grain prior to slaughter account for as high as 30 percent of the total when smaller and unregistered feed lots are factored in.

Table #1. Percentage of Cattle Fed Grain Prior to Slaughter in Uruguay

Year	Steers	%	Heifers	%	Total	%
2015	176,922	16.4	20,411	8.7	197,333	9.0
2016	181,226	16.8	40,704	16.1	221,930	9.8
2017	190,237	16.7	60,724	21.3	250,961	10.7
2018	208,320	18.8	62,659	21.1	270,979	11.6
2019	201,186	19.7	82,640	27.0	283,826	12.7
2020	223,844	23.4	71,536	25.6	295,380	14.7
2021	282,755	22.2	60,028	18.1	342,783	13.0
2022	322,062	26.9	51,099	15.8	373,161	15.5
2023	298,051	27.1	50,703	16.6	348,754	15.1
2024	306,509	26.8	63,537	21.2	370,046	16.4

Source: Uruguay Instituto Nacional de Carnes (INAC)

Industry contacts report that cattle on feed are at record levels, with most feedlots currently operating at full capacity. Unlike in the past, when feed yards typically ran only during periods of profitability—such as to supply cattle for the EU grain-fed beef quota—or under adverse weather conditions, many now operate nearly year-round. Approximately 100 registered feedlots with capacities above 500 head finish an estimated 350,000–400,000 head annually. Within this group, 150,000–200,000 head are finished in feed yards owned by three major slaughter plants, including the country's largest facility with a capacity of 20,000 head. These vertically integrated operations provide packers with a steady supply of cattle, offering a buffer when market conditions limit outside procurement. An additional 300,000–350,000 head are finished on grain-based diets in roughly 100 smaller feedlots, many located on farms that primarily use their own grain production. Contacts note that some feedlots are expanding capacity, and several new facilities are under construction, particularly in the more productive agricultural regions in the western part of the country.

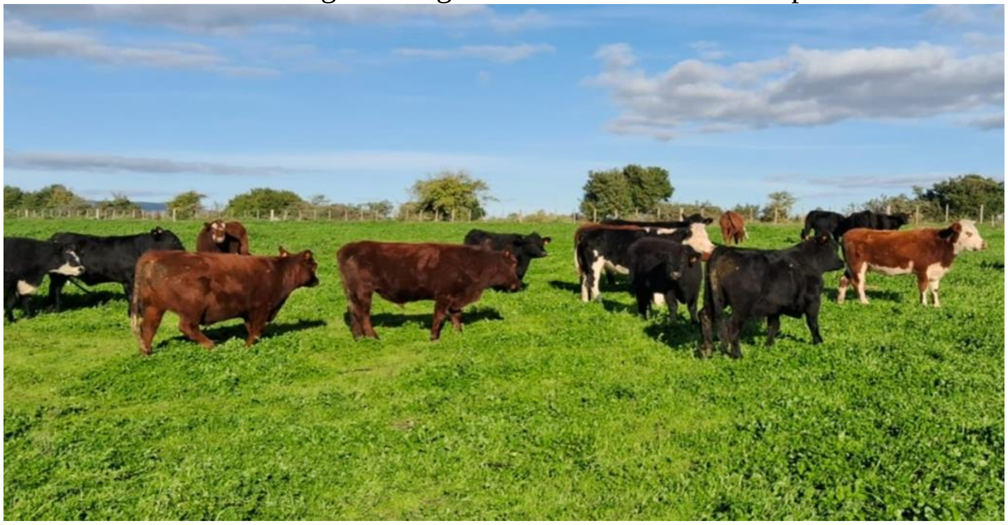
Corn is by far the preferred feed in most feed yards with barley and some sorghum occasionally used. Roughly 75 percent of cattle on feed are steers and the balance heifers. Cattle typically enter at 400 kilos live weight from backgrounding systems and are finished at around 500 to 550 kilos live weight. Steers, which are finished slightly heavier than heifers, stay about 100 days and gain approximately 1.2 to 1.4 kilos per day. With high feeder cattle prices and a strong demand from slaughter plants, Post expects cattle will remain somewhat longer periods of time in feed yards gaining additional weight. Meat packers pay a 4 to 6 percent premium on the price for cattle finished on grain. This feed intensification is resulting in cattle slaughtered at younger ages, making Uruguay's cattle/beef chain more productive and efficient.

The remainder of the cattle are finished primarily on improved pastures, the traditional system in Uruguay despite being a less productive system, still can be profitable due to abundant pastures and favorable climactic conditions. Uruguay continues to have a significant demand for niche organic, "grass-fed" and/or "natural" beef which are mainly produced solely on pastures. In Uruguay the traditional full-cycle cattle system has practically disappeared. Under this system cattlemen raised cattle on natural and improved pastures from calf through finished steers, in cycles that typically took more than 4 to 5 years. This began to change when Uruguay started to supply the EU with the High-Quality Grain-Fed Beef Quota, locally known as 481.

To date the weather in 2025 has been very good despite some harsh frosts in winter and pastures are generally in good condition for the time of the year, helped by more rain than normal. Weather forecasts for the rest of the year indicate normal conditions.

Backgrounding cattle grows in importance as the production chain intensifies. Feedlots typically receive heifers and steers weighing around 400 kilos to then be finished. Calves are normally weaned at 150 to 170 kilos, and then put into backgrounding primarily on natural pastures, while some use improved pastures. Under this system, cattle gain some 700 grams a day, but if supplemented with some grain, daily gains can reach up to 1 kilo per day. Therefore, the total weight gain during backgrounding results in about 240 kilos per head.

Photo #1. Backgrounding 380 kilo calves on alfalfa pasture



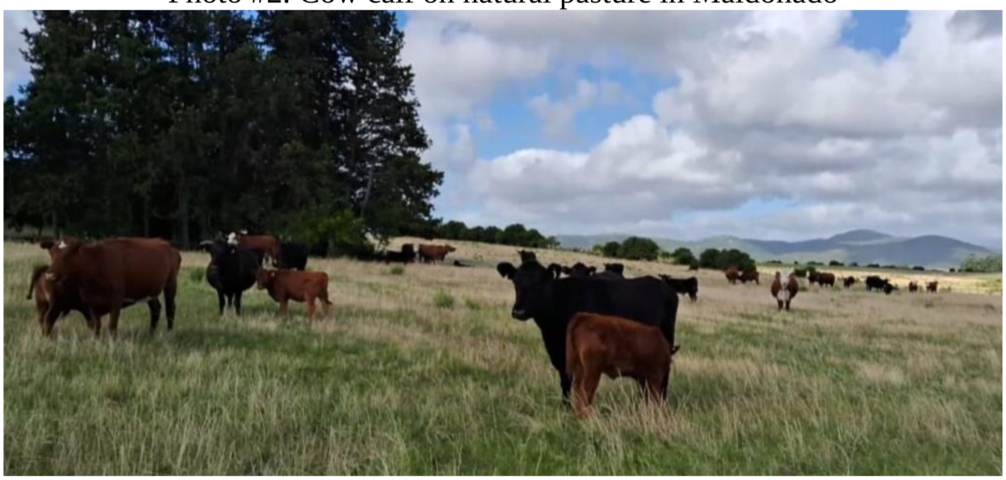
Source: Ing. Esteban Montes

The strong demand and high prices for beef exports, plus steady exports of live cattle in 2025 and a projected similar scenario for 2026, are expected to continue to give the cow-calf sector strong support for further consolidation to achieve greater efficiency and profitability. As shown above in Chart 1, male calf prices are near record. All the other categories, female calves, cows and bulls also currently enjoy high prices. Favorable pasture conditions, stable cattle prices, and expectations of good profitability over the next one to two years are driving strong momentum in the sector. As the entire cattle chain gains efficiently, the cycles tend to shorten increasing the need for a larger number of calves and/or putting more weight on each head prior to slaughter.

The 2026 calf crop (cattle born in the same year) is forecast at 3.0 million head, somewhat smaller than the previous two years as the number of breeding cows is projected to drop marginally. High beef export demand is pushing higher slaughter of cows and heifers than normal. Nonetheless, this would be the first time that three consecutive calf crops produce 3 million head or more.

Cow-calf operations are increasingly using more technology and managerial tools with the primary focus on improving the nutrition of breeding herds. Producers now see the benefit of improving the body condition of cows and breeding heifers, resulting in higher pregnancy and weaning rates and calf weight at weaning. In addition, after the severe drought of late 2022 into early 2023, pasture conditions improved significantly in 2024 and 2025 thanks to good rainfall. The implementation of tools such as early or temporary weaning, creep feeding, grain supplementation for young females which are bred younger, are resulting in significantly higher breeding rates. Many cattlemen who have achieved high breeding rates are now focusing on reducing losses through weaning. At a country level, the loss is estimated at about 10 percent. The most efficient cattlemen have losses as low as 2-3 percentage points.

Photo #2. Cow calf on natural pasture in Maldonado



Source: Ing. Esteban Montes

The breeding season in Uruguay normally runs from early November to late January with most producers still relying on natural service using bulls. More producers are moving to use artificial insemination to breed heifers but this is still the minority. Contacts estimate Angus cattle account for approximately 60 percent of the country’s herd, with Herefords accounting for 30 percent and a mix of other breeds the balance. Black baldies are also quite popular. Weaning is normally done at 6 months of age, weighing 150-160 kilos.

With current low world prices for soybeans and corn, there is speculation some crop land will be reconverted to pastures. While there could be some land use change, Post does not expect it to be extensive. Profitability in cropping is normally higher than cow-calf operations and incorporating cattle demands large investment in pastures and cattle. What is noticeable is that lowlands in the main productive crop areas are now being populated with breeding cows. Also, in mixed productive areas, where both crops and cattle are produced, there is an intensification of the cattle business, with producers frequently feeding cattle their own locally-produced corn, adding value right on the farm. The use of wet corn for feed in late harvests can save significant costs by not having to dry it.

The new government has recently launched a program to help small family cattle breeders increase production and profitability. With the help of 100 extension field technicians, they will aim at 1,000 producers in groups of about 10 producers each. In small operations it is fundamental who is behind taking decisions as they can also be efficient and make a living from their produce.

The World Organization for Animal Health (WOAH) recognizes Uruguay as free of Foot and Mouth Disease (FMD) with vaccination. With Brazil and Bolivia having already ceased vaccination and Paraguay evaluating a similar approach, the issue has generated significant domestic debate. In early August, the Uruguayan government announced it would continue vaccinating against FMD, assessing that the risk of not vaccinating could be high and noting that Uruguay's principal export markets accept beef from vaccinated cattle. The decision received broad support from cattle producers, breeders' associations, and meat packers.

The local meat packing industry is currently operating at good pace, though contacts indicate margins are quite slim. The price of finished cattle is high, industrial costs of production are also high while FOB prices have increased but not as much.

In the first half of 2025 there were 27 plants which slaughtered cattle, of which 17 slaughtered more than 10,000 head each, and six plants slaughtered less than 2,000 head during the period. The largest plant slaughtered 12 percent of the country's total; the first five plants slaughtered 45 percent, while the largest ten accounted for 76 percent. Contacts report Uruguay has a slaughter capacity of roughly 3 million head and little investment is expected over the next few years as most large meat packers have already expanded or improved their plants in recent years.

In the past several years, ownership of many local meat packing plants has changed hands while a few have closed. Two large Brazilian groups currently own four plants each, together accounting for approximately 60 percent of Uruguay's total slaughter. One of the groups is trying to buy three plants from the other but the government has not approved the transaction, as it is concerned about the large concentration one single group could have. Discussions continue and recently the buying company proposed to sell two plants and remain with only one additional. A Japanese and an Argentine company recently sold their large plants, one to a Brazilian group and the other to a local group which already owned a large processing plant. There are two local groups which in total own three plants which together account for roughly 30 percent of the slaughter.

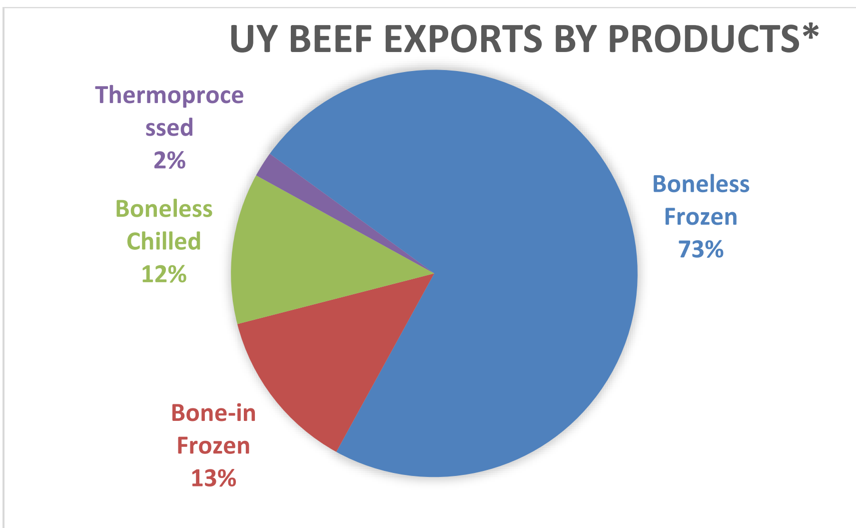
Trade

Uruguayan beef exports in 2026 are forecast up at 520,000 tons cwe, the second highest volume on record. The combination of large beef production and imports, and flat domestic consumption is forecast to result in significantly larger supply available for exports. In addition, most local traders expect foreign demand for beef will continue to be strong throughout next year.

Beef exports in 2025 by value are projected to be a record high. During the first half of the year, shipments totaled $1.3 billion; an increase of almost 30 percent from the same period the previous year. Measured in product weight, the increase was only 7.5 percent, clearly showing the significant increase in average FOB prices.

Uruguay is an important supplier of manufacturing frozen beef to different markets but continues to make efforts in expanding exports of higher-priced, niche products such as "natural", organic, "grass-fed," and kosher beef. The following chart shows the main beef products exported by Uruguay in the first semester of 2025, in percentage based on product weight:

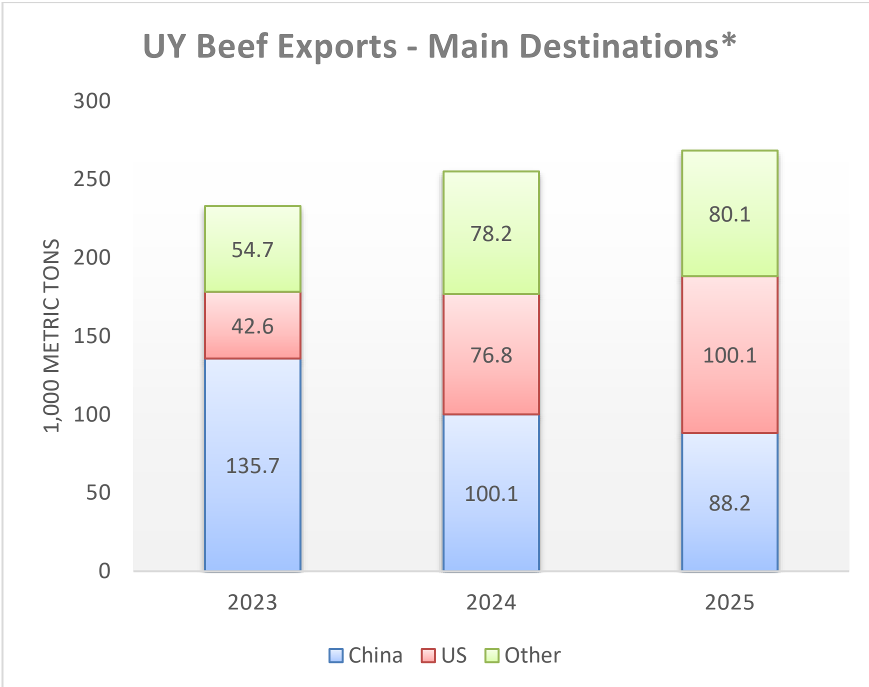
Chart #2



Source: Post with Trade Data Monitor, Inc. Data
* In Product Weight, January-June 2025

For the past decade, China was the dominant destination for Uruguayan beef. However, in 2025, China is expected to lose this position to the United States (measured in product weight and carcass weight equivalent). The United States is forecast to remain at the top through at least 2026, measured by value. The U.S. market shows strong demand for beef, driven by tight domestic supplies and stable consumption. U.S. tariffs on Brazilian products are expected to increase exports of Uruguayan beef to the United States and reduce exports to China. The types of beef exported to these two markets are largely similar.

Chart #3

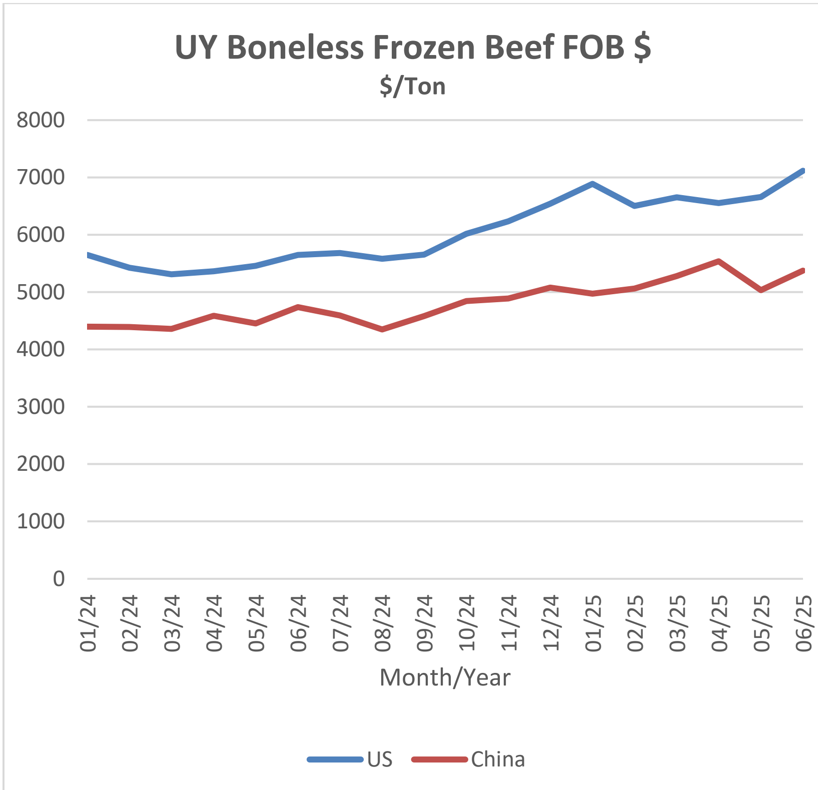


Source: INAC
* In carcass weight equivalent, January-June of each year

The U.S. market is forecast to be the main destination for Uruguayan beef through 2026 as most exporters believe prices will continue to be strong with lower beef supply in the United States and rebuilding of the herd will take some time. Based on Trade Data Monitor data, Uruguay's average FOB export price to the United States in the first half of 2025 was $7,203 per ton, product weight, the second highest on record and 21 percent higher than in the same period last year. The average export price in the month of June 2025 (latest data available) was $8,041.

The chart below shows prices for Uruguayan boneless frozen beef in its two main export markets, the United States and China. For several years, the price difference between the two markets remained relatively stable. However, since late last year, prices in both markets have risen, with the gap between them widening.

Chart #4



Source: Post with TDM

In 1995 the United States allocated Uruguay a tariff rate quota of 20,000 tons product weight a year at a low tariff of $44 per ton. All exports outside the quota pay 26.4 percent tariff. The U.S. government recently increased Uruguay's import duties 10 percentage points on all products, including beef. At the same time the United States increased Brazil's import tariff for most products by 50 percent (10 + 40 percent), directly affecting its beef exports. While tariffs persist at this level, the United States will most likely not import Brazilian beef, increasing imports from other origins including Uruguay. Should this occur, Uruguay most likely will reduce beef exports to China as both markets demand large volumes of similar cuts. Prior to the tariff increase, Brazil was exporting 25,000-35,000 tons product weight a month to the United States.

The main product exported from Uruguay to the United States is frozen, boneless, forequarter blocks of beef for processing. Uruguay also serves several niche markets with a handful of local exporters shipping about 600-700 tons per month of chilled and/or frozen organic, "natural", "grass-fed," and kosher beef.

China has recently lost its dominance for Uruguay beef exports. In the period 2018-2022 exports to China accounted for an average of 63 percent of the total, dropping to 58 percent in 2023, 42 percent in 2024 and to 36 percent in the first half of 2025. Still, China is projected to be the second most important destination in 2026, measured in terms of product weight.

Currently, Uruguayan beef entering China pays a 12 percent import duty. However, all beef imports in China are under an antidumping investigation following a request from their domestic beef sector in December 2024. The Chinese government recently announced that it was extending the investigation until late November 2025 due to the complexity of the case. The potential findings or outcome remain unclear.

Uruguay's main exports to China are boneless frozen beef blocks, mostly coming from the slaughter of cows for use in value-added and processed products including ground beef. The exports of offal also represent a significant business for local meat packers. Exporters actively work to promote to expand the business of higher-end beef cuts for retail and hotels, which in Uruguay's case are still small. The few local slaughter plants which own feedlots are trying to export more high-quality grain-finished beef, as the EU grain-fed beef quota continues to shrink.

The EU is forecast to continue to be the third most important market for Uruguayan beef exports. Shipments in 2026 are forecast to remain firm as exporters project attractive prices with a somewhat growing demand. The average import price for beef from Uruguay imported by the EU in January-May 2025 was $11,064 per ton, product weight, the second highest on record. Prices in April-May 2025 (latest data available) ranged between $11,600-12,000 per ton. In January-May 2025, Uruguay ranked 4th in importance as beef supplier to the EU. The main products shipped to the EU are expected to be the same as in the past, with boneless high quality premium chilled cuts and to a lesser extent, frozen beef. Most cuts are typically rump and loin and the majority fall under different quotas such as the Hilton, Gatt, and the high-quality grain-fed beef. The main importers are the Netherlands, Italy, Portugal, and Spain. All show strong import increases in the first half of 2025.

Israel is also projected to continue to be an important destination for Uruguayan beef, although large exports to the United States could divert shipments from this destination. Through June 2025, Uruguayan beef exports to Israel dropped 33 percent compared to the same period last year. Israel is importing beef at higher prices than last year but is now sourcing significant volumes from Paraguay, with an increase of 300 percent in import value in the first half of 2025 vis-a-vis the same period last year. There are 7-8 Uruguayan meat packers eligible to export to Israel.

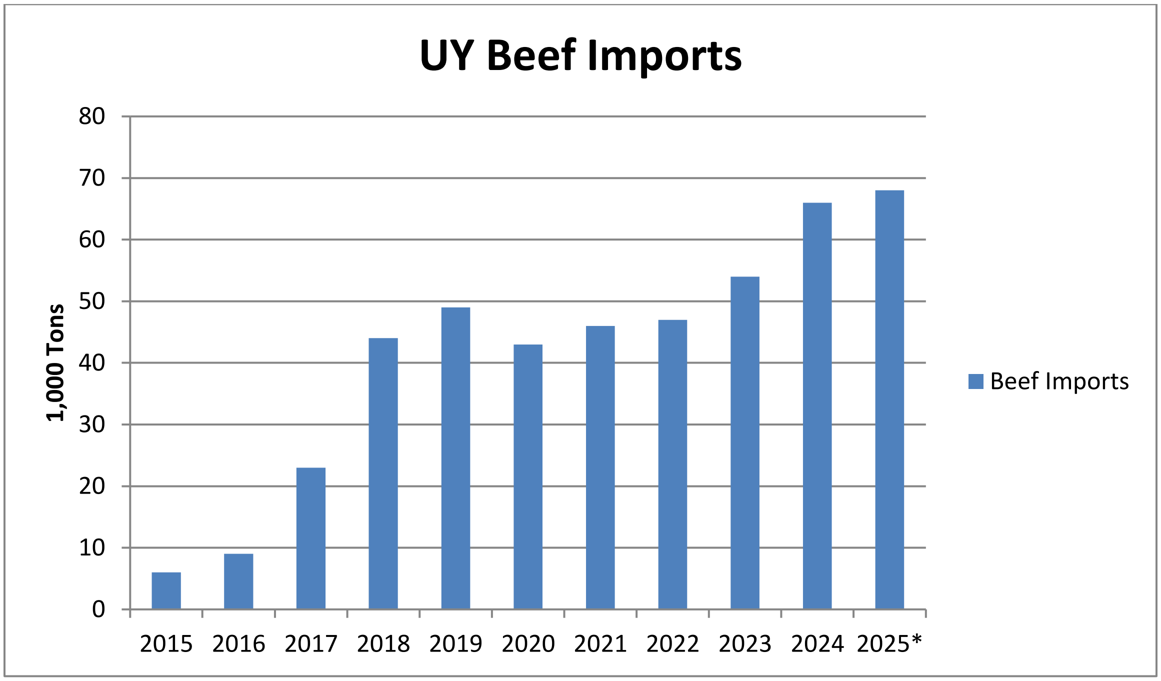
Other potential export destinations in 2026 which could grow, although export volumes are significantly smaller than the main four destinations, are Canada, Japan, and the UK. Exports to Brazil and the Russian Federation are forecast to remain flat or decline.

Uruguay in recent years has been focusing on opening the market of several Southeast Asian countries. The largest markets were open in the past couple of years, although trade so far is very small.

Cattle exports in 2026 are projected at 380,000 head, somewhat smaller than the higher than usual exports expected in 2025. This long-established business plays a key role in supporting strong domestic feeder cattle prices and encourage cow-calf operations to increase calf production each year. However, the government closely monitors these exports to ensure local meat packers have sufficient cattle to slaughter to meet domestic beef demand. In fact, recently the new government briefly suggested it would prohibit live cattle exports for direct slaughter but quickly reversed its position. In practice, most live cattle consist of calves.

Beef imports in 2026 are forecast at 68,000 tons cwe, a record high. Attractive FOB prices are encouraging beef exporters to ship as much beef as they can, opening the opportunity to lower-priced beef from neighboring countries to address a slowly growing domestic market. Nearly 90 percent of beef imports are boneless chilled cuts. Brazil is by far the top supplier to Uruguay followed by Paraguay and a distant third, Argentina.

Chart #5



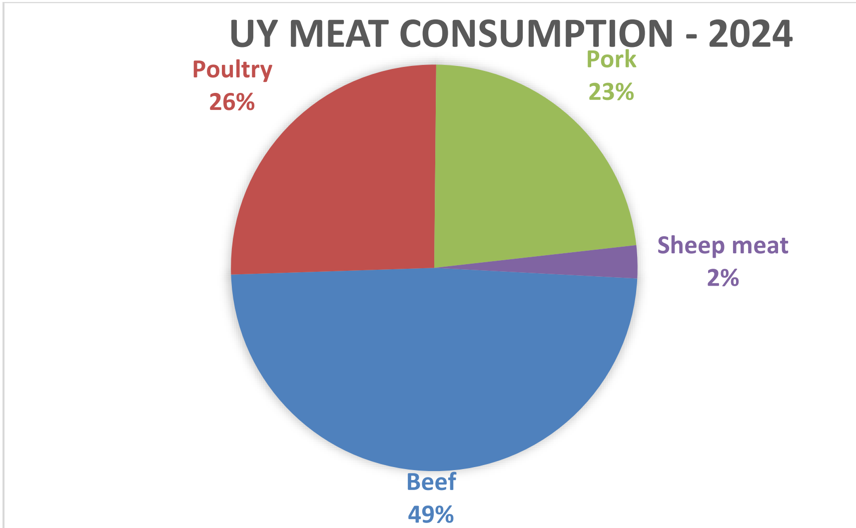
Source: Post with FAS data
* Post forecast

Domestic Consumption

Beef consumption in 2026 is forecast at 183,000 tons cwe. This would be the 4^{th} year in a row of growth. The local economy has been performing well during the past few years and world economic organizations forecast Uruguay's GDP to grow approximately 2.5 percent in 2025 and in 2026.

Based on data published by the National Meat Institute (INAC), consumption of all meats in 2024 increased 5 percent, at almost 100 kilos per capita, one of the highest in the world. Demand for chicken, which is mostly produced locally, and pork, mostly imported, are growing as retail prices are more affordable than beef . Uruguay's meat market is experiencing a noticeable change in consumption habits. Demand for lamb and mutton continues to decline, reflecting a steady reduction in its share of overall meat consumption.

Chart #6



Source: Post with INAC data

Imported beef continues to grow year after year, accounting for roughly one third of total domestic consumption. Uruguayan meat packers export beef at high prices and import cuts at very convenient prices from its neighboring countries, particularly Brazil and Paraguay. Local importers are individual meat distributors or large export meat packers. They usually buy from the Brazilian and/or Paraguayan beef suppliers which offer the lowest prices. Local importers are closely monitoring the outcome of trade talks between the United States and Brazil. Brazilian beef normally sold to the United States likely would be redirected to China or other markets at lower prices.

Smaller meat packers tend to concentrate on the domestic market, while the larger export-oriented plants also compete actively, particularly in the segment for branded, vacuum-packed premium cuts. These high-quality products are typically priced 20–30 percent above beef sold through supermarket butcher counters or independent shops. Table 2 shows current retail prices of different meat cuts in a large supermarket in Montevideo:

Table #2. Montevideo Retail Meat Prices by Cut

Cut	$ Pesos per Kg	$ per Kg
Beef short ribs	369	9.22
Beef tail of rump	589	14.72
Beef knuckle	489	12.22
Ground beef	319	7.98
Whole broiler	249	6.22
Pork neck	260	6.50

Source: Post OAA Buenos Aires

The most popular beef cuts in Uruguay's domestic market are short ribs, tail of rump, chuck and blade, ground beef and round cuts for the very popular breaded veal.

Supermarkets account for roughly 65 percent of domestic beef sales, with the remainder sold through independent butcheries. Most supermarkets have a refrigerated section with pre-packaged beef in trays and a section with an in-store butcher that serves customers directly. In Montevideo and its suburbs, the number of small independent butchers has declined sharply, with more than half closing in recent years as medium-size supermarket chains expand their presence.

Statistical Tables

Animal Numbers, Cattle	2024		2025		2026	
Market Year Begins	Jan 2024		Jan 2025		Jan 2026	
Uruguay	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Cattle Beg. Stks (1000 HEAD)	11366	11366	11805	11693	0	11733
Dairy Cows Beg. Stocks (1000 HEAD)	300	300	300	300	0	300
Beef Cows Beg. Stocks (1000 HEAD)	3960	3960	3900	3900	0	3860
Production (Calf Crop) (1000 HEAD)	3200	3150	3050	3050	0	3000
Total Imports (1000 HEAD)	0	0	0	0	0	0
Total Supply (1000 HEAD)	14566	14516	14855	14743	0	14733
Total Exports (1000 HEAD)	347	347	400	400	0	380
Cow Slaughter (1000 HEAD)	1072	1072	1090	1250	0	1245
Calf Slaughter (1000 HEAD)	7	7	10	8	0	7
Other Slaughter (1000 HEAD)	1177	1177	1175	1122	0	1168
Total Slaughter (1000 HEAD)	2256	2256	2275	2380	0	2420
Loss and Residual (1000 HEAD)	158	220	330	230	0	250
Ending Inventories (1000 HEAD)	11805	11693	11850	11733	0	11683
Total Distribution (1000 HEAD)	14566	14516	14855	14743	0	14733
(1000 HEAD)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Meat, Beef and Veal	2024		2025		2026	
Market Year Begins	Jan 2024		Jan 2025		Jan 2026	
Uruguay	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference) (1000 HEAD)	2256	2256	2275	2380	0	2420
Beginning Stocks (1000 MT CWE)	0	0	0	0	0	0
Production (1000 MT CWE)	595	595	605	620	0	635
Total Imports (1000 MT CWE)	54	54	60	66	0	68
Total Supply (1000 MT CWE)	649	649	665	686	0	703
Total Exports (1000 MT CWE)	473	473	485	506	0	520
Human Dom. Consumption (1000 MT CWE)	176	176	180	180	0	183
Other Use, Losses (1000 MT CWE)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT CWE)	176	176	180	180	0	183
Ending Stocks (1000 MT CWE)	0	0	0	0	0	0
Total Distribution (1000 MT CWE)	649	649	665	686	0	703
(1000 HEAD) ,(1000 MT CWE)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments